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REMARKS TO THE EXECUTIVE AND LEGISLATIVE NOMINATIONS COMMITTEE

By Joan McDonald
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Good morning Senator Looney, Representative Janowski and distinguished members of the Executive Nominations Committee. I am Joan McDonald, nominee for Chairwoman of the Connecticut Innovations (CI) Board of Directors. I am honored to have been nominated by Governor M. Jodi Rell to serve the citizens of Connecticut and I appreciate the opportunity to appear before this committee today.

Professional Background

I would like to briefly share some of my background with you. In May of 2007, I came before this committee as the nominee for Commissioner of the Department of Economic and Community Development (DECD). During my tenure as Commissioner I have taken many steps to integrate our economic development delivery system, including realigning functions of the department and establishing an Office of Responsible Development.

I have also increased collaboration and communication among our economic development partners at all levels of government. In the area of outreach, for example, DECD has taken the lead in organizing "Connecticut's Business Connections" sessions across the state. These sessions are a joint effort between the local chambers and the many economic development service providers at the state level, including DECD, Connecticut Innovations, the Connecticut Development Authority, Regional Revolving Loan Funds, ConnSTEP and the Procurement Technical Assistance Program (PTAP). Connecticut businesspeople attending the sessions receive one-on-one business counseling, as well as direct access to the many state and federal resources available

to support them. We have held four sessions to date and they have been very successful. Another five are planned in the next few months.

As you are aware these are challenging times for our state's businesses and under my leadership and the leadership shown by Governor Rell, the DECD is committed to providing opportunities for businesses to grow so that our residents can rely on there being high quality jobs and a strong economy.

As part of my efforts, I have spent a significant portion of my time traveling around the state visiting with our businesses, taking the pulse of the business community and working with its members to improve our overall business climate.

Prior to becoming Commissioner, I gained over 25 years of experience in both government and the private sector in areas of strategic planning, economic development, transportation and public financing. My career includes 12 years on the Speaker's staff for the New York State Assembly, first in Communications and then as a Deputy Budget Director for the Ways and Means Committee. Through this experience, I gained a deep understanding of the legislative process and count among my accomplishments the creation of the Infrastructure Trust Fund for housing and transportation programs and the Court Facilities Construction Act.

From 1990-91, I attended the JFK School of Government at Harvard University, where I earned a Masters Degree in Public Administration. After graduation, I accepted a position as the Director of Capital and Long Range Planning at Metro-North Railroad. My primary responsibilities were the development of Metro-North's Strategic Business Plan and the Five Year Capital Plan. During that time, I was part of Metro-North's senior management team that increased rail service to business centers outside of Manhattan, including Stamford and New Haven in Connecticut, establishing the link between economic development and transportation.

As Deputy Commissioner for Planning and Traffic Operations at the New York City Department of Transportation in the mid-to-late 1990s, I supervised a staff of 500 and was responsible for strategic policy and traffic operations for the City of New York.

Just prior to coming to Connecticut, I was Senior Vice President at the New York City Economic Development Corporation. My experience included leading the negotiations on the City's fifty-year lease with the Port Authority for JFK and LaGuardia Airports leading the negotiations for the Axis Auto Processing facility and LaFarge Cement on the Brooklyn Waterfront; coordinating Mayor Bloomberg's Hunts Point Vision, a model of residential and commercial development and workforce training; and the reactivation of the Staten Island Railroad. Each of these initiatives is an example of responsible growth paired with job creation, capital investment and community involvement.

My private sector experience includes nearly five years at Jacobs Engineering, a member of the New York Stock Exchange that specializes in design and construction in the areas of public works, pharmaceuticals and petrochemicals. I managed the firm's New York and New Jersey offices.

Connecticut Innovations

I would now like to take a few minutes to discuss Connecticut Innovations where I have been acting chair since May 27, 2008. CI is unique in its economic development role in that, unlike DECD, its vision and mission is narrowly focused. CI is charged with investing in, growing and supporting the emerging technology sector of Connecticut's economy.

Over its twenty year history, CI has deployed over \$187 million in: direct equity investments; programs and initiatives that support the growth of Connecticut's entrepreneurial community; and technology infrastructure improvements. Since 1995, CI has made direct equity investments totaling \$125 million in 87 technology companies. For the past three years, CI's investment opportunities have increased

significantly. During FY 07 CI made 11 investments, in FY08 19 investments and this fiscal year CI is on track to make 22 investments. Thanks in large part to its increased recruiting efforts at both university technology transfer offices and venture capital fairs across the country, CI has, over the last two calendar years, recruited nine new companies to Connecticut. These include a biotechnology company from Westchester, a medical device company from New Jersey and two mobile application companies, one from England and one from California. Taking its lead from the state legislature, in 2007 the CI board approved creation of a pre-seed support services program and a seed investment fund. These initiatives have been instrumental in providing support—both financial and general business support—to entrepreneurs at the very earliest stages of company development. With both of these programs now online, and in great demand, CI has a full complement of initiatives and investment funds available to support the technology entrepreneur from initial concept straight through the company development life-cycle to when a company is mature enough to attract private capital.

As chair of the CI board my goal is to ensure that the needs of the technology sector are continually being met. Since being named acting chair I have convened monthly collaborative meetings between CI, DECD and the Connecticut Development Authority. These meetings provide opportunities for Connecticut's business development team to leverage each members' strengths, share ideas and develop effective programs and initiatives that support continued growth of a business-friendly environment for the State of Connecticut. One example of this team effort is CTech, a new technology business accelerator in New Haven. A true public/private partnership, CTech was launched with collaborative support from Connecticut's business development team, private sector service providers and venture investors, and the New Haven Economic Development office. CTech provides low-cost space for technology entrepreneurs to start their businesses. As we all know, entrepreneurs like to be co-located with other entrepreneurs, others who are experiencing the same things they are and encountering the same difficulties they are. CTech not only provides this space, but each tenant is also provided support services such as accounting or legal assistance at no cost or a reduced rate through CTech's private sector sponsors. This model is proving to be very

successful – all of CTech's space is currently filled – and we are exploring opportunities to expand into lower Fairfield County.

This past fall, CI, DECD and the Connecticut Clean Energy Fund collaborated to create the Connecticut Clean Tech Investment Fund. This \$9 million fund allows each organization to leverage its resources so that the State can more effectively invest in and support innovations that conserve energy and resources, protect the environment, or eliminate harmful waste. The fund will make investments in pre-seed and seed stage clean tech companies already in Connecticut or willing to relocate to Connecticut. Follow-on investments in these companies can be made through CI's Eli-Whitney Investment Fund.

I strongly believe one key to success for economic development is to bring a focus to the various programs and to market and package those programs in a way that will be most helpful to the businesses, communities and citizens of Connecticut. To that end, I will continually review the state's economic development programs and encourage collaboration in order to streamline procedures where it makes the most sense to ensure customer service is a priority. As chair of CI, I will take an active role in ensuring that the State continues to make investments in our technology sector.

Thank you for your time and consideration. I am happy to take your questions.